

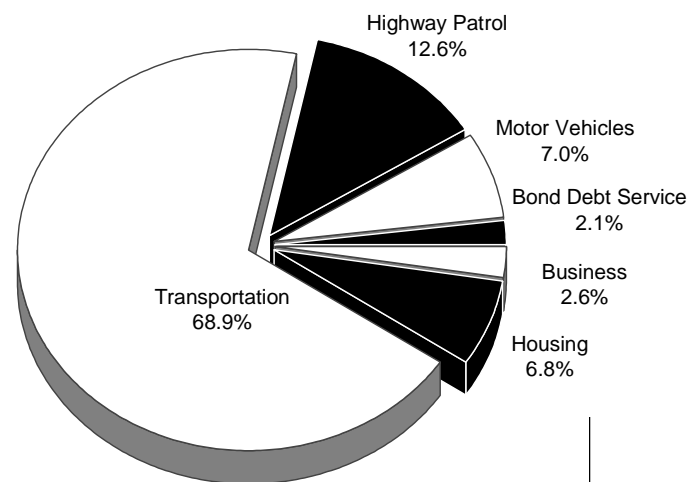
# BUSINESS, TRANSPORTATION, AND HOUSING

The Business, Transportation, and Housing Agency includes programs that plan, build, and maintain California's state transportation systems; ensure efficient and fair markets for the real estate industry, health care plans, and certain financial businesses; and assist community efforts to expand the availability of affordable housing for a growing workforce. In addition, the Agency contributes to public safety through the law enforcement activities of the California Highway Patrol and the Department of Alcoholic Beverage Control. Information on the Highway Patrol's budget can be found in the Corrections and Law Enforcement section.

Figure BTH-1 displays the funding proposed in the Business, Transportation, and Housing portion of the 2003-04 Governor's Budget. The majority of the funding is provided from special fund revenues and federal funds. Significant General Fund expenditures are made for general obligation bond debt service for transportation projects

**FIGURE BTH-1**

## Business, Transportation, and Housing Agency 2003-04 Expenditures All Funds



and bridge seismic retrofit, and to support a variety of programs in the Department of Housing and Community Development.



## Transportation

The Department of Transportation, the California Transportation Commission, the California Highway Patrol, the Department of Motor Vehicles, the Office of Traffic Safety, and local government agencies administer transportation and related public safety programs. Transportation funding comes from State and federal fuel taxes, the sales and use tax on fuel, motor vehicle license and registration fees, weight fees for trucks, and local sales taxes. The Governor's Budget proposes total expenditures of \$8.6 billion in 2003-04 for roads, highways, mass transit and intercity rail, vehicle licensing and registration, and highway law enforcement.

## Department of Transportation

The Department of Transportation (Caltrans) constructs, operates, and maintains a comprehensive transportation system with more than 50,000 miles of highway and freeway lanes. In addition, Caltrans provides intercity rail passenger services under contract with Amtrak as well as other transportation related activities.

The Governor's Budget proposes \$6.4 billion in 2003-04 expenditures for Caltrans from federal funds, various State funds, and reimbursements, and staffing of 20,582.6 personnel years. This amount includes \$1.6 billion in spending on capital projects, and \$2.0 billion for programs that assist local governments in constructing and operating highway, road, and transit systems. Since 1999-00, the Administration

has spent a total of \$28.3 billion on transportation, an increase of \$7.5 billion over the prior four years.

Transportation projects and operations generally are supported from dedicated special funds and federal funds. This approach guarantees funding for multi-year planning processes that need sustained revenues to fund large projects. The major transportation funding sources are:

- ◆ State and federal fuel taxes deposited in the State Highway Account (SHA).
- ◆ Certain sales taxes on fuel deposited directly in the Public Transportation Account (PTA), which fund transit and intercity rail capital projects as well as transit operations.

**Federal Resources**—While nearly all states throughout the nation are suffering from a slow economy, the situation is compounded by the federal transportation budget. To date, the Congress has not passed the transportation appropriation measure for 2003; however, indications are that federal transportation funds will be less in 2002-03 than anticipated relative to the 2002 Budget Act and significantly less in 2003-04 than anticipated in the State Transportation Improvement Plan (STIP) Fund Estimate. Similarly, Caltrans recently reported to the California Transportation Commission (CTC) that federal transportation resources over the next five years are now anticipated to fall below what was projected in the 2002 STIP Fund Estimate. Lower projected federal resources will reduce expected SHA revenues and require savings in the Caltrans budget.



**Traffic Congestion Relief Act**—Transportation projects benefited significantly from the revenues created by a very strong stock market over recent years. Specifically, the Traffic Congestion Relief Act (Act) was enacted (Chapters 91, 92, and 656, Statutes of 2000), creating a six-year funding plan using General Fund revenue for State and local transportation needs, supplementing existing State and local transportation funds. At that time, this plan was expected to provide \$6.8 billion from the General Fund—\$1.5 billion from an initial General Fund appropriation and \$5.3 billion from the transfer of sales taxes on fuel over the life of the Act. In addition, the Act created two new funds—the Traffic Congestion Relief Fund (TCRF) that was anticipated to receive \$5.4 billion of the \$6.8 billion to support 142 projects designed to reduce congestion and enhance goods movement, and the Transportation Investment Fund (TIF) that would distribute approximately \$600 million for local streets and roads improvements, \$600 million to the STIP, and \$300 million to the PTA.

As the economy began to slow in early 2001, the funding timetable for the Act was revised in response to General Fund pressures. Specifically, the starting date for transferring the State sales tax funding was delayed until 2003-04, and the plan was extended by two years—through 2007-08 (Chapter 512, Statutes of 2001). The 2001 Budget Act and the 2002 Budget Act loaned a total of \$1.283 billion of the original \$1.5 billion transferred from the General Fund to the Traffic Congestion Relief Fund in 2000-01 back to the General Fund.

**Proposition 42**—Passed by voters in March 2002, Proposition 42 amended the State Constitution to permanently dedicate State sales taxes on gasoline to transportation purposes beginning in 2003-04. That proposition included a provision that allows the Administration and the Legislature to suspend the sales tax transfer (also known as the TIF transfer) in a fiscal year for which the transfer would result in a significant negative fiscal impact on government functions funded by the General Fund.

Unfortunately, the anticipated recovery of the U.S. and California economies has not yet materialized—resulting in a deterioration of the General Fund’s condition and the need to suspend the TIF transfer as authorized pursuant to Proposition 42. Consistent with that, the Administration’s 2002-03 Mid-Year Spending Reduction Proposals include a suspension of the 2003-04 TIF transfer—resulting in a savings to the General Fund of approximately \$1 billion. The mid-year proposal would also provide for a \$100 million transfer from the TCRF to the General Fund in 2002-03 and forgiveness of a planned \$500 million General Fund to TCRF loan repayment in 2003-04. Although these actions reduce TCRF funding below what would be needed to fund planned 2002-03 and 2003-04 activities, the Administration remains committed to addressing California’s transportation needs.

To ensure the continuation of high priority Traffic Congestion Relief Program (TCRP) projects, the Administration has directed the CTC to take a leadership role by coordinating the efforts of Caltrans, the CTC, and local transportation agencies to re-evaluate transportation funding and project priorities relative to redirecting State Highway Ac-



count, Public Transportation Account, and local funds toward TCRP projects through the STIP process and the CTC allocation authority.

**Long-term Spending Plan**—The following discussion includes proposals contained in the December 2002 Mid-Year Spending Reduction Proposals to provide relief for the General Fund and to reduce SHA expenditures related to lower than anticipated federal funds. In addition, as part of the management of lower anticipated federal resources and consistent with the signing message for Chapter 438, Statutes of 2002, the Department of Finance, Caltrans, and the CTC will be working jointly to develop a long-term plan to manage federal Obligation Authority and Advanced Construction in conjunction with the development of the 2004 STIP Fund Estimate.

Federal Obligation Authority allows the State to receive federal reimbursement on transportation expenditures as they are incurred. Advanced Construction allows the State to proceed with transportation projects based on planned federal reimbursement in future fiscal years. In the case of a transportation project assigned Advanced Construction, State revenues are used in advance of federal reimbursements. The plan will indicate the appropriate level of Advanced Construction relative to anticipated State and federal revenues and will address the role of federal highway grant anticipation revenue vehicles (GARVEE) in meeting the State's various transportation needs. The jointly-developed plan will be presented to the CTC in conjunction with the 2004 STIP Fund Estimate.

## Capital Outlay

The Governor's Budget proposes to realize a current year SHA savings of \$442 million. In addition, a 2003-04 authorization level of \$1.6 billion is proposed for transportation capital outlay program expenditures. The lower level of expenditures is necessary because projected cash balances in the SHA for the next two years will be insufficient to support all scheduled new projects and pay for those already under contract. The major emphasis on the delivery of capital projects and the historically high use of Advanced Construction over the past four years resulted in projected overall SHA expenditure levels of over \$6 billion in 2001-02 and projected levels of expenditures exceeding \$6 billion in 2002-03 and 2003-04. Further, federal transportation revenues projected for 2002-03 and subsequent years is expected to be lower than forecasts used for the 2002 STIP Fund Estimate. The lower revenues result in delayed reimbursement of SHA expenditures and diminished SHA resources. For the current and budget years combined, the federal funds shortfall is projected to total \$800 million. In addition, the revised forecast of commercial vehicle weight fees deposited in the SHA is lower than forecast by \$164 million in the current year. Despite this revenue shortfall, there will be \$2.2 billion in expenditures on capital projects in 2002-03 and \$1.6 billion in 2003-04.

The following Mid-Year Spending Reduction Proposals provide relief to the General Fund:

- ◆ Pursuant to Article XIXB, Section 1(d) of the California Constitution, suspend the General Fund transfer to the TIF in



2003-04 for funding of the TCRP (\$678 million), contribution to the SHA (\$147 million), and public transit projects (\$74 million).

- ◆ Recapture \$100 million of unspent General Fund remaining in the TCRF in 2002-03.
- ◆ Forgive the planned \$500 million repayment of a loan to the General Fund from the TCRF scheduled for 2003-04.

The Administration also proposes legislation to revise the weight fee schedule to attain revenue neutrality as originally intended by Chapter 861, Statutes of 2000, and to improve enforcement, thereby restoring the weight fee revenue to its historical level and eliminating this shortfall in 2003-04. This change will assist in addressing the SHA resource shortfall.

## Local Assistance Programs

Caltrans provides State and federal transportation funds to local agencies through its local assistance budget. Funds are used primarily for local capital projects of the State highway system, mass transit capital improvement projects, and bridge improvement projects. Funds are also used to provide discretionary assistance to local transportation agencies. The Governor's Budget proposes \$2.0 billion in local assistance funding for transportation in 2003-04, including \$255 million from the SHA, \$1.7 billion in federal funds, and \$15 million from special funds.

The following Mid-Year Spending Reduction Proposals provide relief to the General Fund:

- ◆ Pursuant to Article XIXB, Section 1(d) of the California Constitution, suspend all General Fund transfers to the TIF in 2003-04 for funding of the local streets and roads projects (\$147 million).
- ◆ Suspend the 2002-03 second, third, and fourth quarter payments from the SHA for local streets and roads (savings of \$90 million).
- ◆ Transfer \$5.2 million in 2002-03 and \$1.5 million in 2003-04 from the Aeronautics Account to the General Fund. Proposed trailer bill language specifies that the Aeronautics Account grant funding to general aviation airports for security shall be the highest priority for grant funding. This focus is consistent with Chapter 754, Statutes of 2002, which provided that funds in the Aeronautics Account could cover the full 10 percent local match requirement for federal grants under the Airport Improvement Program for security improvement projects.

The following proposals relate to the anticipated reduction in federal funds and resulting decrease in the SHA balance:

- ◆ Reduce local assistance outlays by \$50 million in the current year and \$75 million in the budget year based upon improved cash management of federal funds.
- ◆ Realize savings of \$25.5 million in the current year and \$34 million in the budget year by reducing the following local assistance programs: Freeway Service Patrol Competitive Grant Program, Environmental Enhancement and Mitigation, Discretionary Seismic Bridge



Retrofit Matching Funds, Community Empowerment Grants, and Community Based Planning Grants.

### State Operations Budget

The Governor's Budget proposes \$2.8 billion in state operations funding supporting transportation in 2003-04, including \$1.8 billion from the SHA, \$420 million in federal funds, and \$543 million from special funds. This funding level represents a reduction of \$272 million compared to currently estimated 2002-03 expenditures.

The following mid-year spending reduction proposal provides relief to the General Fund:

- ◆ A reduction of \$56.5 million in SHA funds to reduce state and contract staff working on TCRP projects that are not expected to continue in 2003-04.

The following proposal relates to the anticipated reduction in federal funds and resulting decrease in the SHA balance:

- ◆ A reduction of \$116.1 million in operating expenses, overtime, and salaries in order to assist in assuring adequate balances in the SHA to fund projects. The reduction in operating expenses includes a \$5 million reduction in planned fleet-greening vehicle purchases.

**Caltrans Staffing**—The current budget contains 1,223.7 positions to deliver the Traffic Congestion Relief Act projects. As previously noted, the current fiscal situation will require a prioritization of these projects along with all other STIP projects to live within existing resources. As a result, it is unknown at this time which projects will

continue. Given this uncertainty, the Administration proposes to eliminate all of the TCRP related positions at this time, but is committed to restoring the level of positions needed to deliver the projects that are identified by the CTC, Caltrans, and local transportation agencies. This review will take place in the spring in conjunction with the Capital Outlay Support annual workload Finance Letter. In total, the Governor's Budget proposes 20,582.6 personnel years in 2003-04 for Caltrans, a net decrease of 1,344.9 personnel years compared to the adjusted 2002-03 level. This decrease results primarily from the proposal to suspend the General Fund TIF transfer and forgive planned General Fund to TCRF loan repayments in 2003-04. Other staffing reductions are due to program reductions necessitated by the anticipated reduction in federal funds.

## California Transportation Commission

The California Transportation Commission (Commission) is responsible for the programming and allocation of funds for the construction of highway, passenger rail, and transit improvements throughout California. The Commission also advises and assists the Secretary of the Business, Transportation, and Housing Agency and the Legislature in formulating and evaluating state policies and plans for California's transportation programs. The Commission is also an active participant in the initiation and development of State and federal legislation that seeks to secure financial stability for the state's transportation needs.





To ensure that high priority TCRP projects continue, the Administration has charged the Commission with the lead responsibility of coordinating the efforts of Caltrans and local transportation agencies to re-evaluate transportation funding and project priorities. This will involve redirecting State Highway Account and Public Transportation Account allocated through the State Transportation Improvement Plan, and local moneys toward TCRP projects. This effort will ensure that the highest priority projects benefit from limited transportation resources. As TCRP projects are realigned with funding through the STIP, the Commission will assume allocation responsibility for the projects.

**Cash Management of the State Highway Account**—As the agency responsible for STIP allocations, the CTC will be responsible for ensuring that any allocations made through the remainder of 2002-03 and 2003-04 conform to the SHA cash management plan as identified in the 2003-04 Governor's Budget. This plan involves both current and budget year spending reductions in various programs including local assistance and capital outlay.

## High-Speed Rail Authority

The High-Speed Rail Authority (Authority) is planning the development and implementation of an intercity high-speed rail service that will achieve speeds of at least 200 mph and be fully integrated with California's existing intercity rail and bus network. The Authority is currently working toward the

December 2003 planned completion of the program-level environmental impact report (EIR).

Chapter 697, Statutes of 2002, places a general obligation bond measure before voters in 2004 (the Safe, Reliable, High-Speed Train Bond Act for the 21<sup>st</sup> Century). If passed by the voters, this bond measure would provide \$9.95 billion in bond financing to fund the planning and construction of a high-speed passenger train system and enhancements to connecting intercity and commuter rail lines.

The Administration proposes to consolidate the Authority with Caltrans. This consolidation will bring the transportation expertise of Caltrans to the high-speed rail project. Under this proposal, the nine-member Authority board would continue its responsibilities, while Caltrans staff will perform the ongoing support and administrative responsibilities for the board. The 2003-04 Governor's Budget proposes \$1.8 million from the Public Transportation Account in the Caltrans budget to finish the EIR.

## Office of Traffic Safety

The Office of Traffic Safety (OTS) administers the California Traffic Safety Program and will distribute about \$85 million in 2003-04 to local and State agencies in federal grant funds. The grants provided by OTS focus on the nine priority areas of traffic safety: (1) alcohol and drugs, (2) occupant protection, (3) pedestrian and bicycle safety, (4) traffic records, (5) emergency medical services, (6) roadway safety, (7) police traffic services, (8) motorcycle safety, and (9) speed control.



The 2003-04 Governor's Budget proposes to consolidate the OTS, currently a free-standing office, with the Office of the Secretary for Business, Transportation, and Housing. This consolidation will allow for contracted personnel services savings of \$135,000 in 2003-04. The savings from the consolidation will be shifted from grant administration to provide increased local agency grants.

## Pressures on the Motor Vehicle Account

The Motor Vehicle Account (MVA) is the major funding source for the Department of Motor Vehicles (DMV) and the California Highway Patrol (CHP). Numerous factors have led to the erosion of MVA resources. Historically, full cost recovery for the costs of services provided by the DMV and the CHP to the public have not occurred through assessed fees and other revenues. In addition, in most years, the State's retirement system was able to fund the cost of the CHP's retirement plan entirely from its investment earnings, which offset costs that would otherwise have been borne by the MVA. However, as a result of the stock market decline, this funding source is not currently available to offset annual retirement costs of \$107 million; these costs have now shifted to the MVA, further eroding available MVA resources. Additional erosion has occurred because fees were neither adjusted for inflation nor indexed in some manner to account for workload growth or program costs. While some fees have been increased, those increases have not kept pace with inflation.

To address the erosion of resources in 2002-03, the CHP, DMV, and Air Resources Board reduced their MVA funded program costs by \$32 million. Concurrently, the 2002-03 Governor's Budget included several revenue generating proposals to address the shortfall. Ultimately, legislation was approved, raising additional revenue of approximately \$30 million in 2002-03 and \$60 million in 2003-04.

For 2003-04, additional fee proposals will provide nearly \$194 million in new MVA revenues. The Governor's Budget also proposes to realign \$67 million of certain program activity costs to appropriate fund sources and to provide an indexing mechanism to periodically adjust for inflation. These proposals and the amount of revenue (in parentheses) are outlined below:

- ◆ Increasing the base annual vehicle registration cost by \$3 (\$41 million).
- ◆ Increasing the two \$1 CHP vehicle registration surcharges to a total of \$6 (\$54 million).
- ◆ Increasing the costs of a non-commercial driver's license, up to \$24 for a five-year license (\$30 million).
- ◆ Establishing additional penalties for failure to file transfer of title documents (\$11 million).
- ◆ Issuing identification (ID) cards to seniors free of charge and increasing the ID card fees for all others to \$20 (\$9 million).
- ◆ Activating the Business Partner Automation fee, setting the fee at \$3 (\$2 million).





- ◆ Standardizing a variety of DMV fees at \$15 (\$16 million).
- ◆ Establishing a new Public Safety Surcharge on telephone usage (\$30 million). This new revenue source will be used to fund CHP costs a portion of which are not eligible from either the SHA or the MVA, such as search and rescue activities in support of local law enforcement agencies.
- ◆ Increasing funding from the SHA by \$16 million to fully fund SHA eligible costs.
- ◆ Increasing funding from the State Emergency Telephone Number Account by \$51 million to fully fund 9-1-1 activities performed by the CHP.

In total, these proposals will provide sufficient revenues for the expenditures proposed in the Budget, and a modest reserve of about 3 percent.

## Department of Motor Vehicles

The DMV promotes driver safety by licensing drivers, and protects consumers and ownership security by issuing vehicle titles and regulating vehicle sales. The Department also collects the various fees that are revenues to the MVA. The 2003-04 Governor's Budget proposes \$682 million and 8,443 personnel years for support of the DMV. A one-time augmentation of \$312,000 is included for replacement of furniture at the Rancho Cucamonga field office that is currently undergoing health and safety reconstruction.

**Online Vehicle Registration**—To promote online transactions and to channel the growth in transactions away from in-person counter transactions, the Administration proposes to eliminate the \$4 credit card convenience fee currently charged to those registering online. Although the fee has partially offset the cost of credit card transactions, the fee has also suppressed both telephone and on-line credit card transactions that would otherwise be diverted away from field offices. It is anticipated that the elimination of the convenience fee will result in increased online usage and ultimately lead to cost savings as well as cost avoidance. To ensure public confidence in the security of the information technology systems at the DMV, the expanded access will only be provided once the State's Chief Information Officer is assured the information technology systems related to credit card transactions continue to meet appropriate security standards.

## Department of Alcoholic Beverage Control

The Department of Alcoholic Beverage Control administers the provisions of the Alcoholic Beverage Control Act, which vests in the Department the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transportation of alcoholic beverages within the state and, subject to certain laws of the United States, to regulate the importation and exportation of alcoholic beverages into and from the state. The 2003-04 Governor's Budget proposes total expenditures of \$39.2 million and 423.3 personnel years to support the Department.



**Replacement of Obsolete Information Technology Hardware**—The Budget proposes one-time funding of \$565,000 to replace obsolete information technology hardware.

## Department of Corporations

The Department of Corporations administers and enforces State laws governing the offer and sale of securities and franchise investments; the licensing and regulation of securities broker-dealers and investment advisers; and the licensing and examination of mortgage brokers, finance lenders, and escrow companies. Through these activities, the Department protects the public and helps promote the integrity of the financial services marketplace. The 2003-04 Governor's Budget proposes total expenditures of \$28.3 million and 286.4 personnel years to support the Department.

**Consolidation of Corporations and the Office of Real Estate Appraisers**—The Budget proposes to consolidate the Office of Real Estate Appraisers with the Department effective July 1, 2003. This consolidation will result in the elimination of the Office of Real Estate Appraisers Director position and could result in further efficiencies.

**Payday Lenders Regulation**—The Budget also proposes to add 11 positions and \$1.1 million to implement the provisions of Chapter 777, Statutes of 2002. Chapter 777 transferred the regulation, licensing, and enforcement of deferred deposit transaction permit holders (payday lenders) from the Department of Justice to the Department of

Corporations. This legislation also substantially increased the level of regulation on the payday lending industry.

## Department of Housing and Community Development

The Department of Housing and Community Development (HCD) administers housing finance, rehabilitation, and community development programs; oversees the state's housing planning and code-setting processes; and regulates manufactured housing and mobile home parks. The Budget proposes \$647.2 million and 507.1 personnel years for the Department's activities.

**Proposition 46: Housing and Emergency Shelter Trust Fund Act of 2002**—Approved by the voters in the November 2002 general election, this bond act authorizes a total of \$2.1 billion for various housing programs. The bond act allows the HCD to begin implementation of those programs in 2002-03. To address this new workload, the Department will expend \$1 million in 2002-03 and 10.9 personnel years (a redirection of 4.1 personnel years and 6.8 personnel years from newly established positions). In 2003-04, HCD will incur bond program costs of \$3.5 million and 38.1 personnel years (a redirection of 20.3 personnel years and 17.9 personnel years from proposed new positions). The local project bond expenditures will be \$255 million in 2002-03 and \$463 million in 2003-04, as follows:



- ◆ \$59.1 million in 2002-03 and \$107.6 million in 2003-04 for State and local homeownership programs for lower income families (including programs administered by the California Housing Finance Agency).
- ◆ \$25 million in 2002-03 and \$64.7 million in 2003-04 for housing projects that serve farmworkers and their families.
- ◆ \$109.7 million in 2002-03 and \$193.5 million in 2003-04 for affordable rental housing for low income working families, the disabled, elderly, and those transitioning out of homelessness, and housing with supportive services for special needs populations.
- ◆ \$31 million in both 2002-03 and 2003-04 for capital funds to construct, expand, or rehabilitate homeless shelters and transitional housing.
- ◆ \$25 million for both 2002-03 and 2003-04 to provide financial incentives to communities that increase housing production, especially affordable rental housing production, and work to balance the development of jobs and housing.
- ◆ \$24 million in 2003-04 for downpayment assistance targeted to communities that reduce barriers to housing.
- ◆ \$4.8 million in 2002-03 and \$17.2 million in 2003-04 for preservation of affordable low-income housing.

The 2003-04 Governor's Budget also includes the following General Fund reductions:

- ◆ Shifting almost \$11 million in farmworker housing project grants to bond funds.
- ◆ Shifting \$721,000 in costs to fees for the Employee Housing Program.
- ◆ Shifting \$625,000 in costs to increased rents for Migrant Services Centers.
- ◆ Reducing \$220,000 and 1.9 personnel years for the Migrant Services Centers.
- ◆ Shifting \$220,000 in funds to Indian gaming funds in support of the California Indian Assistance Program.
- ◆ Reducing \$1.3 million in Emergency Housing and Assistance Program grants.
- ◆ Reducing \$220,000 and 1.9 personnel years from the State Housing Law program.
- ◆ Eliminating \$65,000 for a housing preservation contract.
- ◆ Reducing \$7,000 in out-of-state travel expenditures.

## Office of Real Estate Appraisers

Consistent with federal requirements, the Office of Real Estate Appraisers licenses and regulates persons who conduct appraisals of property. The 2003-04 Governor's Budget proposes to transfer this program, which expends \$3.3 million for this purpose and is comprised of 28 personnel years, to the



Department of Corporations. This consolidation will allow for savings of \$150,000 and 1 personnel year in 2003-04 and is expected to provide opportunities for future program and operational efficiencies.

transitioned from consultants to state staff. The 2003-04 Budget provides five new staff to augment customer service to a level that more appropriately addresses the risk of system failure.

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## Department of Managed Health Care

The 2003-04 Governor's Budget proposes a total of \$34.2 million and 291.5 personnel years in 2003-04 for the Department of Managed Health Care and the Office of Patient Advocate, established July 1, 2000, by Chapter 525, Statutes of 1999, to regulate health care service plans and address consumer needs. As proposed for 2003-04, the Department will have spent \$133.2 million on consumer protection activities since its inception in 2000-01. On an average annual basis, this is a 187 percent increase over program activities when these activities were carried out within the Department of Corporations.

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## Stephen P. Teale Data Center

The Stephen P. Teale Data Center assists California State agencies in meeting their business objectives by providing a cost-effective range of quality information technology services and products. The 2003-04 Governor's Budget proposes \$101 million and 372 personnel years for support of Teale. In 2002-03, the management of the California Home Page, the State's Internet homepage, transferred from the Department of General Services to Teale. At that time, support of the California Home Page was

